

RESOLUTION NO. 334

WHEREAS, the governing body of the **City of Burlingame, County of Osage, State of Kansas**, (the "City") has, in accordance with the requirements of law, by its Ordinance No. 2173 passed and approved September 6, 2011, and published as required by law, heretofore authorized the construction of certain sanitary sewerage system improvements including repairing and/or removing and replacing gravity-flow sewer collection lines and manholes through-out the City and doing all other things necessary and incidental thereto in the City (the "Phase 2 Improvements") under the statutory authority of K.S.A. 12-618 et seq., and all amendments thereto; and

WHEREAS, the total cost of making the Phase 2 Improvements is estimated to be \$2,700,000 which is payable in part with the proceeds of general obligation bonds of the City (the "Bonds") in an amount not exceeding \$1,650,000, with the balance of such costs to be paid by the City from the proceeds of a \$500,000 community development block grant to the City from the Kansas Department of Commerce and Housing and a \$550,000 USDA Rural Development Grant to the City; and

WHEREAS, the City has no funds to finance the costs incurred by the City in making the Phase 2 Improvements until Bonds are issued by the City for such purposes; and

WHEREAS, under the statutory authority of K.S.A. 10-123 proper and full authority is conferred upon the City to issue its temporary notes to finance on an interim basis the cost of making the Phase 2 Improvements until Bonds are issued by the City to permanently finance the cost of the Phase 2 Improvements.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BURLINGAME, KANSAS, that for the purpose of providing funds to pay part of the costs of making the Phase 2 Improvements until Bonds can be issued therefor, the governing body of the City be, and it is hereby, authorized to issue its Temporary Notes Nos. R-1 through R-4, inclusive, Series 2012A, (the "Notes") in the aggregate principal amount not exceeding One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) with Temporary Note No. R-1 being

in the denomination of \$450,000, and Temporary Notes Nos. R-2 through R-4, inclusive, being in the denomination of \$400,000 each, said Notes being dated March 1, 2012, bearing interest as provided therein at the rate of two percent (2.00%) per annum and maturing on or before March 1, 2013, being redeemable and cancelable at the time Bonds are issued in lieu thereof. Interest on the Notes shall be payable at the earlier of the maturity of the Notes on March 1, 2013, or the Redemption Date thereof (the "Interest Payment Date") to the registered owner of the Notes appearing on the books maintained by the Burlingame City Treasurer, hereby designated as the "Paying Agent" and "Note Registrar" as of the 15th day of the month next preceding the applicable interest payment date (the "Record Date"). The principal amount of the Notes shall not exceed the lesser of the amount of Bonds to be issued to permanently finance the costs of making the Phase 2 Improvements or the estimate of the cost of making the Phase 2 Improvements as prepared by the project engineer and approved by the governing body of the City.

BE IT FURTHER RESOLVED that the City may call the Notes for redemption and payment prior to maturity in whole or in part at any time (selection of the Notes to be redeemed to be determined by the City), by serving written notice to that effect on the owners thereof at least thirty (30) days before the date of such redemption and payment and it may so redeem such Notes upon payment to the owner thereof of the principal of and interest on the Notes to the date of such redemption. No further interest shall accrue on the Notes so redeemed and paid subsequent to the date of such redemption and payment.

BE IT FURTHER RESOLVED that the Notes shall contain recitals and be in the form as prescribed by law.

BE IT FURTHER RESOLVED that the Notes shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Clerk or Deputy City Clerk, under the corporate seal of the City and, after such execution and the registration of the Notes by the City Clerk and the Treasurer of the State of Kansas in the City of Topeka, Kansas, they shall be countersigned by the City Clerk or Deputy City Clerk and delivered to the purchaser thereof

upon receipt of the purchase price thereof, said purchase price to be not less than the principal amount thereof plus accrued interest. The proceeds of the Notes shall be placed in the City Treasury and applied solely to pay the costs of the Phase 2 Improvements and the costs of issuing the Notes.

BE IT FURTHER RESOLVED that the Notes shall be issued and sold to the Flint Hills Bank of Eskridge, Osage City, Kansas, a commercial banking institution chartered by the State of Kansas, as a limited placement with a financially sophisticated person purchasing the Notes to hold for investment purposes with no intent to resell the same to other persons. The Notes are being purchased by Flint Hills Bank of Eskridge in accordance with the terms and conditions of this Resolution.

BE IT FURTHER RESOLVED that the City covenants and agrees that no part of the proceeds of the Notes or other proceeds shall be used, at any time, directly or indirectly in a manner which if such use had been reasonably anticipated on the date of the issuance of the Notes would have caused the Notes to be or become "Arbitrage Bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the Regulations of the Treasury Department thereunder proposed or in effect at the time of such use applicable to obligations issued on the date of issuance of the Notes.

BE IT FURTHER RESOLVED that the Notes are hereby designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

BE IT FURTHER RESOLVED that the City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate attached to the Final Certificate of the City included in the transcript of proceedings regarding the Notes. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default of the City's obligations either under this Resolution or in connection with the Notes; provided, however, any owner of the Notes may take such actions as may be necessary and appropriate, including

seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be in force from and after its passage and approval.

IT IS SO RESOLVED.

PASSED and Approved this 21st day of February, 2012.

CITY OF BURLINGAME, KANSAS

Mayor

ATTEST:

City Clerk

(SEAL)